

In re Patent Application

Serial No. 09 / 219 , 478

Filed: December 22, 1998

Examiner: Michael Pender

Protest under 37 CFR 1.291

**Exhibit I**

**Letter from Michael Smialek to Examiner Michael Pender dated  
6/15/2000.**

Mike Smialek  
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June 15, 2000

Dear Mr. Pender,

I am writing to follow up on our phone conversation on June 7, 2000. On December 22, 1998 my former employer, Andersen Consulting, filed 25 patent applications for subject matter related to an area of computer based training known as Business Simulation. Andersen Consulting failed to disclose information material to the patentability of the inventions claimed in the patents. Specifically, they failed to disclose that **all of the inventions claimed in the patents had already been in commercial use for more than a year before the application date.** Moreover, all of the subject matter disclosed in the Specifications had already been in commercial use for more than a year before the application date. They also misrepresented the inventorship of the inventions.

As of this writing, 17 of the 25 applications have been issued and posted to the database, 7 have had notice of allowance, and 1 is in examination. Below is a table listing the application numbers and patent numbers where applicable.

<u>Appl#</u>	<u>Pat#</u>		<u>Appl #</u>	<u>Pat#</u>
09/218,977	5,987,443		09/218,968	6,016,486
09/219,481	6,003,021		09/221,217	6,023,692
09/219,080	Allowed		09/218,741	6,029,158
09/219,477	6,067,537		09/218,906	6,029,156
09/219,055	6,032,141		09/218,976	6,018,732
09/218,995	Allowed		09/218,726	6,018,731
09/221,138	6,073,127		09/221,608	Allowed
09/219,086	6,023,691		09/219,070	Allowed
09/219,079	Allowed		<b>09/219,478</b>	<b>In Exam</b>
09/219,201	6,026,386		09/219,524	6,064,998
09/219,479	6,067,538		09/218,749	6,018,730
09/218,945	Allowed		09/219,480	6,029,159
09/219,088	Allowed			

The patents make use of what I believe is called an omnibus specification – they have the same or nearly identical specifications, but have different sets of claims. In this letter I will provide information that I believe will substantiate beyond any doubt, the following facts:

- a) All of the inventions claimed in all of the patents issued as of this writing, as well as every aspect of the subject matter described in the omnibus specification, had been

reduced to practice, were ready for patenting, and were in commercial use on for-fee consulting engagements well over a year before the application date.

- b) The inventions and subject matter had been demonstrated in offers for sale to prospective clients not bound by confidentiality agreements well over a year before the application date.
- c) The inventorship on the patents issued as of this writing is incorrect. I was the primary inventor on most or all of the patents. Contributing inventors were omitted from many of the patents. Individuals making no contribution were listed as inventors on many of the patents.
- d) Andersen Consulting partner William Stoddard and the applying attorney, L. Keith Stephens, were well aware of the on sale bar issues and inventorship issues before the application date, but failed to execute their duty to disclose the information to the PTO.

### Background

I was employed by Andersen Consulting from August 1992 – August 1998 and was deeply involved in their Business Simulation Practice. All of the statements presented here are from personal first hand knowledge unless designated otherwise.

Andersen Consulting performed a business simulation development project for General Electric Corp. called Financial Foundations Course (FFC). This project began in late 1994 or early 1995 and continued through June 1996. I was staffed full time on the project from July 1995 through May 1996.

Andersen Consulting performed a second business simulation project for GE called Financial Accounting for Operations (FAO). This project began in late May 1996 and continued through early 1997. I was staffed part time on the project making periodic visits to the site to provide design guidance.

All the primary independent claims in the following patents depend on the "rules based expert system with a spreadsheet object component":

5987443, 6003021, 6067537, 6032141, 6073127, 6023691, 6026386, 6067538,  
6023692, 6029158, 6029156, 6018732, 6018731, 6064998, 6018730, 6029159.

The "rules based expert system" is known internally at Andersen Consulting as the Tutor. I conceived of, designed, and implemented the "rules based expert system" on the GE FFC project. The "rules based expert system" was ready for patenting and used commercially in February of 1996.

The "spreadsheet object component" is known internally at Andersen Consulting as the Simulation Engine. In April of 1996, I conceived of and conceptually designed the "spreadsheet object component" and its usage with the "rules based expert system". Benoit Bertrand reduced the "spreadsheet object component" to practice. The "rules based expert system" and "spreadsheet object component" were used together commercially on the GE FAO engagement by October, 1996.

The "rules based expert system and spreadsheet object component" were demonstrated, offered for sale, and ultimately resold to Pratt & Whitney Corp. for a third business simulation development effort called Business Decision Making (BDM). This sales activities for this project began prior to April of 1997. The project began in May of 1997 and ended some time in 1998.

These commercial uses make the "rules based expert system with a spreadsheet object component" ineligible for patent.

Patent# 6016486 claims a method for creating a presentation based on a linked list. This is known internally at Andersen Consulting as the Activity/Task Time Line and Coach Approval logic. These items were completed and used commercially in late 1995 on the GE FFC project.

All the subject matter disclosed in the omnibus specification was used commercially more than one year before the application date of December 22, 1998. I do not know what is claimed in the patents that have not yet issued, but if they use the same omnibus specification then they must be invalid.

Enclosed with this letter is a copy of a letter I sent to the applying attorney, L. Keith Stephens, two other AC attorneys, and my attorney, Robert Beiser, on Feb 09, 2000. The letter was written when only eight of the patents had issued, but most of what is stated applies to the other nine patents that have issued since then. The letter contains some additional information that I will not repeat here. It would be beneficial if you read that letter before going further.

L. Keith Stephens did not respond to the letter. Kevin Rhodes, another AC attorney, sent a letter to Robert Beiser indicating that they were "investigating the assertions" made in the letter. That letter is attached.

### Inventorship Issues

To verify my contributions, examine columns 65 through 124 of the 5,987,443 patent. They contain some C source code of the "rules based expert system". In the comments you will see my name listed as the author. Although my name is not listed in the comments for every function, I did in fact conceive, design and write all of this code and all of the undisclosed code that resides in the bodies of these functions. This code is used in the omnibus specification and the "rules based expert system" is claimed in all the independent claims of the patents.

I was also a contributing or primary inventor on the other subject matter described in the omnibus specification and claimed in the patents. Therefore I believe I should be listed as a contributing or primary inventor on all of the patents and my statements should be given the same weight as any listed inventor.

I understand that inventorship defects are correctable, but I believe, the inventorship of the patents was deliberately misrepresented, making it uncorrectable.

William Stoddard, an Andersen Consulting partner, had directed the initiative to apply for the patents. I received a phone call from William Stoddard on 3/28/2000. I took careful notes of the conversation. During the call I confronted him with the issues I raised in the 02/09/2000 letter. He stated that "You weren't here, so you weren't named". I took this to mean that I wasn't named because I was no longer employed at Andersen Consulting when the patents applications were being prepared, therefore I didn't deserve to be named. I subsequently contacted some of the people who were named as inventors and found out that inventorship

was assigned arbitrarily as a reward for not leaving the firm. Many individuals who made no contributions are listed as inventors, and several other contributors are not listed. Incredibly, during the call Mr. Stoddard also conceded that the "Tutor is prior art" and the "Simulation Engine is prior art".

I can provide many more details regarding inventorship if they are required. I am also sure if you contact the listed inventors directly they will confirm my contributions to the patents.

### Commercial Use on For-Fee Client Engagements

In order to substantiate that the subject matter was used commercially more than a year before the filing date, I will explain the origins of some of the figures and text of the patents. I will use the 5,987,443 patent as the basis for this.

The figure at the bottom of the first page of the '443 patent is a PowerPoint slide that I created in May or June of 1996 describing the use of the Tutor component on the GE FFC engagement. The two screen shots in the slide are taken directly from the GE application. The GE FFC engagement started in late 1994 or early 1995 and continued through June of 1996. I was on the project from July of 1995 through May of 1996.

Figures 5 through 10 of the patent were taken from a PowerPoint presentation that I created in the summer of 1997 called 'Next Generation Business Simulation'. Figures 7, 8, and 9 were reused from an insurance related presentation I originally created in the summer of 1996. Figure 8 includes a representation of a 1992 Ford Taurus and a 1996 Volvo 850. These were the cars I owned when I created the slide in 1996.

Figures 11-21, 27-32, and 36-37 were taken from a whitepaper I created in May-June of 1996 called 'The Intelligent Coaching Agent Tool'. The whitepaper was created to show a progression of feedback interactions with a business simulation. I captured these screen shots from the GE FFC application. I altered the screen shots in figures 11 and 12 to obscure the client's name. Where it says "E Bikes" in bold letters, the actual application says "GE Bikes". The squiggly 'e' next to "E Bikes" replaced the GE logo from the actual application.

The 'The Intelligent Coaching Agent Tool' whitepaper is referred to in the specification of the patent in column 24 near line 45. The patent directs the reader to the 'ETA Home Page on the Knowledge Exchange'. The ETA home page and the Knowledge Exchange are not accessible outside of Andersen Consulting. This text is in the specification because the applying attorney or someone else involved in the patent application simply cut and pasted the text from the whitepaper into the specification without reading or understanding it.

Figures 22-26 were taken from another document that I created in April of 1996.

Similarly, almost all of the remaining screenshots were created by various authors, including myself, more than 1 year before the application date. All were shots of tools or applications that were used commercially on client engagements more than 1 year before the filing date.

Neil Flanagan, Nancy Taylor, and Paul Beuker (or Beucker) were the primary client contacts for the GE FFC and subsequent GE FAO engagements. I don't know if any of them are still employed at GE. David Smith, a current Andersen Consulting employee, was the project manager on the GE FFC engagement. Martha O'Connor, a former Andersen Consulting employee, was the project manager on the GE FAO engagement. William Stoddard, an

Andersen Consulting Partner, was a project partner on the GE FFC and GE FAO engagements. The Andersen contacts are well aware of the projects and dates and can confirm my contributions. The GE contacts can confirm the dates of the projects in question.

I can provide many more facts and contact information regarding Andersen's commercial use of the subject matter on client engagements if necessary.

### **Commercial Use in Demonstrations for Prospective Clients**

Andersen Consulting sometimes offers a discount to its clients if the client agrees to allow other prospective clients to visit the development site. During the development of the GE FFC project, Andersen Consulting hosted several such visits, during which the business simulation application and tools were described and showcased and offered as selling points for Andersen Consulting's business simulation development services.

As one specific example, I conducted a presentation and demonstration on February 20, 1997 for a group of employees and executives of Allstate Insurance, Co. on Allstate premises. I demonstrated the completed GE FFC business simulation application, as well as the components and workbenches used in business simulation development. The presentation slides described the benefits of business simulation and how Andersen Consulting used the tools and workbenches on business simulation engagements. This was an Andersen Consulting directed promotional demonstration of the inventions to an audience of approximately 20 people, none of whom were bound by any type of non-disclosure or confidentiality agreement. It was held in the Allstate lunchroom and anyone who saw the announcement and was interested was allowed to attend. Enclosed is a copy of my time report from that period with the date and time circled.

In addition to the demonstration I performed and the visits on the GE FFC project, several different completed business simulation applications as well as the completed tools were demonstrated many times by William Stoddard and others for many current and prospective clients more than 1 year before the filing date. Although I do not have the specifics of these events, I am sure that the events, the dates, and their significance to patentability were well known to the principals at Andersen Consulting who were driving the patent application activities.

### **Failure to Disclose**

In May of 1998, shortly after I announced my intention to leave Andersen Consulting, William Stoddard started the initiative to apply for the patents. I researched patent law and became aware of the statutory bar and inventorship rules. On several occasions between May 1998 and my departure in August 1998, I explained to Mr. Stoddard that Andersen should not be patenting any of the items because the statutory bar had so clearly expired. I also explained that if they were going to try to patent the inventions in spite of the statutory bar that they were required to list me as an inventor. I also explained these issues to many of the other employees in the business simulation practice.

After I left the employ of Andersen Consulting in August of 1998, I performed consulting work for them from September, 1998 – November, 1998. During this period they confirmed that they were applying for multiple patents on the business simulation subject matter, but they did not disclose to me any specifics of the applications.

During this period I continued to remind them that the inventions were ineligible because of the statutory bar and that they were required to list me as an inventor. I personally voiced these concerns on multiple occasions to individuals at Andersen Consulting including Brian Beams, an associate partner in charge of technology, and William Stoddard, among others. On each of these occasions the reply was that the patent attorneys were aware of the situation and had "found a way around the statutory bar".

I remained in contact with several Andersen Consulting employees after I left the firm. Several employees told me that during conversations with the applying attorney, L. Keith Stephens, prior to the filing of the applications, they informed him of my contributions to the inventions and of the commercial uses of the subject matter. Furthermore, my name was prominently displayed on documents I authored that were used in the omnibus specification. I believe Mr. Stephens was well aware of the statutory bar issues and of my contributions to the inventions. To my knowledge he made no attempt to contact me prior to the filing of the patents.

### Next Steps

My goal is to have the patents recalled based on the statutory bar and inventorship issues. I believe there may be three avenues available: protest, request for reexamination, and a commissioner-initiated recall. I am not sure if a protest is still available on the patents that have already issued.

Please reply to this letter to confirm that you received it. I would appreciate it very much if you could answer the following questions:

- a) What formal processes are available to me in challenging the issued patents?
- b) What formal processes are available to me in challenging the pending patents?
- c) Are the facts I've presented enough to cause the commissioner to initiate a recall on the issued patents?
- d) Do I need to submit a formal protest on application 09/219,478 for you to be able to take action?

A self-addressed, stamped envelope is enclosed.

Please contact me if you have any questions or need clarification or more information. I can give you any other details that you may need.

Thank you very much for your time in reading and responding to this letter.

Sincerely,

Mike Smialek

Mike Smialek  
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Glenview, IL 60201  
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847-869-1595  
February 09, 2000

L. Keith Stephens  
Hickman, Stephens, Coleman & Hughes  
200 Page Mill Rd.  
Palo Alto, CA 94306

Dear Mr. Stephens,

I was an employee of Andersen Consulting from August, 1992 – August, 1998 and was deeply involved in several of their Business Simulation client engagements. I have personal first hand knowledge that every aspect of the subject matter described in the claims of US Patent No.'s 5987443, 6016486, 6003021, 6018730, 6018731, 6018732, 6023691, and 6023692 as well as what is described in the specifications of said patents had been reduced to practice, was ready for patenting, and was used commercially on for-fee client engagements in the context of Goal Based Learning as early as 1993, well before the critical date of December 22, 1997.

This subject matter was used in many demonstrations and offers for sale. Several of said offers for sale subsequently became for-fee client projects. Completed business simulation applications as well as the tools, components, architectures, and methods used to develop them were demonstrated during sales activities to prospective clients not bound by confidentiality agreements well before the critical date. The tools, components, architectures, and methods were used commercially on for-fee client engagements well before the critical date.

The descriptions of the patents disclose several components:

1. The rules based expert system (Tutor),
2. The spreadsheet component (Simulation Engine),
3. The system dynamics component (SysDyn Engine),
4. The ICA Meeting component,
5. The HTML help component,
6. The InBox component

They also disclose several workbenches:

1. ICAUtils Workbench, which houses the other workbenches,
2. ETSICA (Tutor) Workbench, which edits data used by the Tutor,
3. Regression Test workbench, which replays user acceptance tests,
4. Simulation Workbench, which simulates a user interface to test Tutor feedback,
5. Simulation Object Editor, which associates spreadsheets to Tutor data,
6. SysDyn Workbench, which simulates a user interface to test Tutor feedback,
7. SysDyn Object Editor, which associates Powersim data to Tutor data,
8. ICAMeeting Workbench, which simulates a user interface to test Tutor feedback,
9. ICAMeeting Object Editor, which associates ICAMeeting data to Tutor data,
10. Doc Maker, for saving Tutor data from a database into serialized files



11. Object Viewer, for statically viewing Tutor data.

All of the above subject matter was reduced to practice, ready for patenting, and in commercial use on the following for-fee client engagements:

1. Financial Foundations Course, General Electric Corp, 1995-1996
2. Financial Accounting for Operations, General Electric Corp, 1996
3. Business Decision Making, Pratt & Whitney, 1996-1997
4. Strategic Business Partnering Course, Lucent Technologies, 1997-1998

All of Andersen Consulting's ideas and theories about Goal Based Learning and Business Simulation had already been in commercial use on the following projects:

1. Business Practices Course, (used internally, demonstrated externally), approximately 1993-1994
2. Credit Operations and Risk Evaluation, GE Capital, 1993-1995
3. enCORE, GE Capital, 1995-1997

I would urge you to ask Andersen Consulting employees, and specifically William Stoddard, about these client engagements. I'm sure you will find that all of the subject matter in question is ineligible for patent.

In addition to the uncorrectable defects related to the statutory bar, the patents suffer from misjoinder and nonjoinder of inventorship. I was in fact the primary inventor of '443, '021, '732, and '692. I was a contributing inventor of '486, '730, '731, and 691. Several of the patents list inventors that made no contribution and omit other inventors that made contributions.

Based on comments made by William Stoddard of Andersen Consulting, I believe there are additional patents that have been applied for but not yet issued. It is very likely that they suffer from the same defects. As I understand it, you have a duty to disclose this information to the Patent and Trademark Office with respect to the issued and pending patents.

Please contact me within ten days to discuss these issues. I would be happy to answer any questions you may have. If necessary I can furnish you with names of current and former AC employees and client employees that can verify the above information.

Sincerely,

Mike Smialek

CC: Vicki St. John  
CC: Kevin Rhodes  
CC: Robert Beiser

# KIRKLAND & ELLIS

MEMBERS OF THE ILLINOIS PROFESSIONAL CORPORATION

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Kevin H. Rhodes  
To Call Writer Directly:  
(312) 861-2373  
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February 25, 2000

VIA FACSIMILE  
& FIRST-CLASS U.S. MAIL

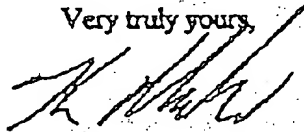
Robert S. Beiser, Esq.  
Michael Best & Friedrich  
77 West Wacker Drive  
Suite 4300  
Chicago, IL 60601-1635

Dear Mr. Beiser:

I write on behalf of Andersen Consulting LLP in response to Mike Smialek's letter, dated February 9, 2000, to L. Keith Stephens, Esq. I understand that you are representing Mr. Smialek in connection with the matter discussed in his February 9<sup>th</sup> letter.

We understand that our respective clients are involved in discussions aimed at resolving this matter. In addition, we are reviewing the assertions made in Mr. Smialek's letter, and we will respond to you in due course. Please direct future correspondence concerning this matter to my attention.

Very truly yours,



Kevin H. Rhodes

KHR/skp

cc: L. Keith Stephens, Esq. (via facsimile)  
Vicki St. John, Esq. (via facsimile)

London

Los An

ANDERSEN CONSULTING'S  
RESPONSE TO THE LETTER I SENT  
ON 2/09/2000

Senior Consultant

NAME Mike Smialek

[illegible]

TOTAL HOURS	EXPENSES	CLIENT CODE OR PROJECT NUMBER	JOB NO.	TRANSFER TO GMU		BILLING RATE CODE
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9.0		5, 8, 9, N, 0, 1				
25.0		4, 4, 5, B, 0, 3		0, 0, 3, 6	Chicago	
10.0		5, 9, 3, N, 0, 1				
12.0		6, 0, 0, N, 0, 4				
2.0		6, 0, 7, N, 0, 1				
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TOTAL HOURS	EXPENSES	CLIENT CODE OR PROJECT NUMBER	JOB NO.	TRANSFER TO GMU		BILLING RATE CODE
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25.0		4, 4, 5, B, 0, 3		0, 0, 3, 6	Chicago	
10.0		5, 9, 3, N, 0, 1				
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4.0		5, 9, 1, N, 0, 1				
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Submitting this Time Report, I confirm that I am aware of and in compliance with the policies found in the Andersen Consulting Policies base (AC Policies), including but not limited to policies on time reporting, confidentiality intellectual property rights.										Expense Advance Reason																					
Approved by										5												MEMO-MEALS AND ENTERTAINMENT									
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										7														COMPENSATORY REIMBURSEMENTS							
Audited By										STATE/LOCAL AND SHIFT OVERRIDE INFORMATION																					
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